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October 12, 2001

JAMES E. SPEED  
Executive Director

TO INTERESTED PARTIES:

REVISION OF ASSESSORS' HANDBOOK SECTION 576  
ASSESSMENT OF VESSELS

Letter To Assessors 2001/003 announced a Board project to develop Assessors' Handbook Section 576, *Assessment of Vessels*. A subsequent letter, dated June 28, 2001, transmitted staff's draft of the proposed handbook section to interested parties. Interested parties were asked to provide changes, in the form of alternative text, to the draft handbook section.

Enclosed is a matrix compiled from suggestions and comments received from interested parties. The matrix contains all proposed changes, originating from both interested parties and staff, together with staff's position in regard to each proposed change. This information is provided to you in advance of the interested parties meeting since these suggestions will form the primary discussion topics at the meeting.

On October 26, 2001, staff will hold a meeting with interested parties to discuss proposed changes identified on the matrix and any language developed by staff. The purpose of the meeting is to reach agreement on handbook language. The meeting is scheduled to start at 9:30 a.m. in Room 118, Board of Equalization, 450 N Street, Sacramento. After the interested parties meeting, the project will proceed as follows:

- Staff will submit an issue paper and other required material for the Property Tax Committee (PTC) meeting. The material will be due 14 days prior to the PTC meeting date.
- The Board's Property Tax Committee will hear discussion of any unresolved issues at a meeting in early 2002.

More specific dates will be available upon approval of the 2002 Property Tax Committee Work Plan.

All documents relating to this project are available on the Board's Web site ([www.boe.ca.gov](http://www.boe.ca.gov)) and can be accessed by way of the following links: (1) Property Taxes, (2) Property Tax Committee Work Plans, (3) Other Projects in Process 2001.

If you plan to attend the interested parties meeting, please advise Mr. Gordon Ferguson at (916) 322-3815; [gordon.ferguson@boe.ca.gov](mailto:gordon.ferguson@boe.ca.gov). Thank you for your continued interest in this project.

Sincerely,

Richard C. Johnson  
Deputy Director  
Property Taxes Department

RCJ:mw  
Enclosure

# ASSESSORS' HANDBOOK SECTION 576, ASSESSMENT OF VESSELS

## Comments on June 28, 2001 Draft

| No. | PAGE / LINE<br>REFERENCE |    | SOURCE                      | PROPOSED LANGUAGE                                                                                                                                                                                                                                                                               | STAFF POSITION/COMMENTS                                                                                                                                                                                                                                                                                                                                                                               |
|-----|--------------------------|----|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  | All                      |    | SBE Staff                   |                                                                                                                                                                                                                                                                                                 | Nonsubstantive changes to correct grammar, punctuation, and spelling are not shown in the matrix.                                                                                                                                                                                                                                                                                                     |
| 2.  | i<br>Foreword            |    | Los Angeles County Assessor | <b>Comment:</b> Would like a portion of the foreword to define the legal authority for vessel taxation by the local county assessor. In addition, include a statement that the DMV is responsible for collection of registration fees only.                                                     | Accepted. SBE added sentence to the beginning of line 10 to provide additional details.<br><br>SBE Addition: <u>Although the Department of Motor Vehicles or the Coast Guard is responsible for collecting registration fees on vessels, vessels are subject to personal property taxation and assessors are responsible for the annual assessment of vessels.</u> The objective of this handbook.... |
| 3.  | 1                        | 18 | SBE Staff                   | <b>Revise sentence:</b> It is useful to be aware of the DMV's definition as assessors exchange information with the DMV regarding <del>new</del> vessels <u>newly</u> entering the county,...                                                                                                   | Revised to improve clarity.                                                                                                                                                                                                                                                                                                                                                                           |
| 4.  | 2                        | 9  | SBE Staff                   | <b>Revise sentence:</b> Some vessels may be <u>fully or partially</u> exempt from property taxation due to the nature of their use or value, <del>or including</del> those <del>included in</del> <u>classified as</u> business inventory.                                                      | Revised to improve clarity.                                                                                                                                                                                                                                                                                                                                                                           |
| 5.  | 2                        | 14 | SBE Staff                   | <b>Add sentence:</b> (The assessor actually prepares two separate rolls each year: the regular assessment roll and the supplemental assessment roll.) <u>Vessels are not subject to supplemental assessment; they are enrolled only on the regular assessment roll.</u> The assessment roll..." | Revised to provide more detail.                                                                                                                                                                                                                                                                                                                                                                       |
| 6.  | 2                        | 17 | SBE Staff                   | <b>Revise language:</b> <del>Most</del> <u>Many</u> county assessors prefer to group vessel assessments in a separate section of the unsecured roll...                                                                                                                                          | Revised.                                                                                                                                                                                                                                                                                                                                                                                              |

| NO. | PAGE / LINE<br>REFERENCE |                                                             | SOURCE                      | PROPOSED LANGUAGE                                                                                                                                                                                                                                                                                                                                                      | STAFF POSITION/COMMENTS                                                                 |
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|     |                          |                                                             |                             |                                                                                                                                                                                                                                                                                                                                                                        |                                                                                         |
| 7.  | 2                        | 19                                                          | Los Angeles County Assessor | <b>Revise language:</b> Documented vessels meeting the requirements of section 227... <del>should</del> <u>may</u> be enrolled in a separate section at the end of the vessel section of the roll.                                                                                                                                                                     | Accepted.                                                                               |
| 8.  | 2                        | 21                                                          | SBE Staff                   | <b>Delete sentence:</b> <del>Entering all vessels on the unsecured tax roll provides for administrative ease. Because vessels sell often, current ownership information is frequently dependent on reporting by the public. Using unsecured billing allows time to bill the proper assessee. Other a</del> Advantages of enrolling vessel on the unsecured tax roll... | Deleted, as statements are no longer valid.                                             |
| 9.  | 3                        | 17                                                          | SBE Staff                   | <b>Revise sentence:</b> <del>Like any other personal property, The Legislature has the power to exempt personal property from taxation or to allow differential taxation of personal property; thus a vessel can be exempt from property taxation by reason of its ownership, use, and/or type.</del>                                                                  | Revised to improve clarity and incorporated part of sentence from item No. 10 below.    |
| 10. | 3                        | 23                                                          | SBE Staff                   | <b>Delete sentence:</b> <del>In contrast to real property, the Legislature has the power to exempt personal property from taxation or to allow differential taxation of personal property.</del>                                                                                                                                                                       | Deleted, as part of the sentence is incorporated into the revision of item No. 9 above. |
| 11. | 3                        | 32                                                          | SBE Staff                   | <b>Delete sentence:</b> <del>Except as otherwise specifically provided, all tax liens attach annually as of 12:01 a.m. on the first day of January (lien date) preceding the fiscal year for which the taxes are levied.</del> <sup>Footnote</sup><br><sup>Footnote</sup> Section 2192.                                                                                | Deleted, as the sentence is misleading with regards to unsecured assessments.           |
| 12. | 4                        | 6                                                           | SBE Staff                   | <b>Revise sentence:</b> Assesseees may need to be reminded that <u>although an the</u> assessment is based on a vessel's value on the preceding lien date, <del>although a the tax bill is not received until July of that same year. received is for the ensuing fiscal year.</del>                                                                                   | Revised to improve clarity.                                                             |
| 13. | 4                        | Examp<br>e2 <sup>nd</sup><br>para.<br>2 <sup>nd</sup> sent. | SBE Staff                   | <b>Revise sentence:</b> <del>The assessee</del> ( Although owner A) does not own the boat during the fiscal year the bill covers, <del>but</del> the bill is valid based on ownership on the lien date, ...                                                                                                                                                            | Revised to improve clarity.                                                             |
| 14. | 4                        | 14                                                          | SBE Staff                   | <b>Delete language:</b> <del>The county tax collector is responsible for the preparation of the tax bill and the collection of taxes.</del>                                                                                                                                                                                                                            | Deleted, as the sentence is not technically correct and is unnecessary.                 |

| NO. | PAGE / LINE<br>REFERENCE |     | SOURCE                      | PROPOSED LANGUAGE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | STAFF POSITION/COMMENTS                                                   |
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|     |                          |     |                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                           |
| 15. | 4                        | 20  | SBE Staff                   | <b>Revise language:</b> Section 611 requires the assessor to assess <del>a vessel</del> <u>property</u> to unknown owners if the owner of the property is not known.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Revised to make consistent with statute.                                  |
| 16. | 5                        | 1-9 | SBE Staff                   | <b>Delete language:</b> <del>In the case of a sales contract between two individuals where no official title transfer has been made through the DMV, Coast Guard documentation or an amended agreement with the lien holder, the assessment may be enrolled concurrently to both parties. When both parties are assessed, tax bills are required to be sent to both parties. This requirement presents a situation in which dual tax bills may result in dual payments. The assessor cannot indicate primary and secondary liabilities; property tax statutes do not recognize such differences. Should both persons pay the tax, the tax collector must accept the first payment and return the second. The assessor, therefore, should confine the joint assessment procedure to those cases in which a collection problem is anticipated.</del> | Deleted, as there is no specific authority for this practice.             |
| 17. | 5                        | 12  | SBE Staff                   | <b>Delete sentence:</b> <del>Generally, a vessel belonging to a corporation may not be assessed to an individual.</del>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Deleted, as the statement has too many exceptions to be included as text. |
| 18. | 5                        | 17  | Los Angeles County Assessor | <b>Revise sentence:</b> The Vessel Owner's Report or the Vessel Property Statement, one <u>or both</u> of which a vessel owner <del>is</del> <u>may be</u> required to submit...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Accepted.                                                                 |
| 19. | 5                        | 21  | SBE Staff                   | <b>Revise sentence:</b> All vessels currently on the roll <del>shall</del> <u>should</u> remain so until a taxpayer <u>or other party</u> provides <del>proof</del> <u>written notice</u> to the assessor that the vessel has established another situs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Revised to improve clarity.                                               |
| 20. | 5                        | 22  | SBE Staff                   | <b>Revise language:</b> The burden of <del>proof</del> <u>notification</u> falls upon the taxpayer and, unless otherwise given notice, the assessor <del>shall</del> <u>should</u> enroll a vessel at its last known situs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Revised for minor correction.                                             |
| 21. | 5                        | 25  | SBE Staff                   | <b>Revise language:</b> If a tax bill from another county is offered as <del>proof</del> <u>evidence</u> of situs change, the assessor should request...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Revised for minor correction.                                             |
| 22. | 6                        | 9   | SBE Staff                   | <b>Revise sentence:</b> The vessel statement or owner's report requests a variety of information on the vessel -- such as the type, size, <u>vessel number</u> , <u>builder</u> , <u>model</u> , <u>length</u> , <u>engine type</u> , year built, equipment, cost, etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Revised to provide further details.                                       |

| NO. | PAGE / LINE<br>REFERENCE |           | SOURCE    | PROPOSED LANGUAGE                                                                                                                                                                                                                                                                            | STAFF POSITION/COMMENTS                                        |
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|     |                          |           |           |                                                                                                                                                                                                                                                                                              |                                                                |
| 23. | 7                        | 12        | SBE Staff | <b>Revise sentence:</b> See Chapter 4 for information regarding the DMV <del>and Coast Guard registration and documentation</del> of vessels. <sup>Footnote</sup><br><sup>Footnote</sup> <u>As discussed in Chapter 4, some vessels do not require either registration or documentation.</u> | Revised to improve clarity and provide additional details.     |
| 24. | 7                        | 14        | SBE Staff | <b>Add language:</b> ...provide such information as the owner's name, address, vessel type, <u>cost</u> class, and other pertinent information.                                                                                                                                              | Added to improve clarity.                                      |
| 25. | 7                        | 19        | SBE Staff | <b>Delete sentence.</b> <del>See Chapter 4 for further information regarding vessels registered by the DMV.</del>                                                                                                                                                                            | Deleted, as unnecessary. Sentence repeats page 7, lines 12-13. |
| 26. | 8                        | 15        | SBE Staff | <b>Revise sentence:</b> ...and, upon the <del>form's</del> return <u>of the form</u> , the owner should have established the exact location of the vessel.                                                                                                                                   | Revised to improve sentence structure.                         |
| 27. | 8                        | End of 20 | SBE Staff | <b>Add sentence:</b> <u>It is also useful to review the harbormaster's report when conducting a field canvas.</u>                                                                                                                                                                            | Added to provide further details.                              |
| 28. | 8                        | 22        | SBE Staff | <b>Add sentence:</b> <u>The vessel property statement provides detailed information regarding a vessel to aid in a more accurate assessment. Furthermore, Owners may install additional equipment...</u>                                                                                     | Added to provide further details.                              |

| No. | PAGE / LINE<br>REFERENCE | SOURCE    | PROPOSED LANGUAGE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | STAFF POSITION/COMMENTS             |
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| 29. | 8<br><br>31              | SBE Staff | <p><b>Revise section:</b> <u>Property Statements are declarations of assessable property signed by the assessee under penalty of perjury. Assessors use these property statements to gather information and ultimately determine the assessable value of property. The assessor should furnish the property statement to every person required by law to file and to those other persons requested to file. Failure of the assessor to request or secure the property statement, however, does not render any assessment invalid.</u><sup>Footnote 1</sup> <u>The Board-prescribed Vessel Property Statement is Form BOE-576-D.</u></p> <p>Each person owning a vessel having an aggregate cost of one hundred thousand dollars (\$100,000) or more for any assessment year is required to file a signed property statement with the assessor.<sup>Footnote 2</sup> Other owners are required to file only upon request of the assessor. <u>Owners must report the Aggregate cost to be reported shall of the vessel, including all affixed boat equipment and accessories, as well as sales tax. When boat dealers report a new vessel's purchase price to the DMV, whereby the sales price that is the basis of value, includes sales tax and freight charges, if applicable, are included in the reported price.</u></p> <p><del>Property Statements are declarations of assessable property signed by the assessee under penalty of perjury. Assessors use these property statements to gather information and ultimately determine the assessable value of property. The assessor furnishes the property statement to every person required by law to file and to those other persons requested to file. Failure of the assessor to request or secure the property statement, however, does not render any assessment invalid.</del><sup>Footnote 3</sup> <del>The Board-prescribed Vessel Property Statement is Form BOE-576-D.</del></p> <p><sup>Footnote 1</sup> Section 441, subdivision (a).<br/> <sup>Footnote 2</sup> <i>Ibid.</i><br/> <sup>Footnote 3</sup> <del><i>Ibid.</i></del></p> | Revised to improve flow of section. |

| NO. | PAGE / LINE<br>REFERENCE |          | SOURCE                      | PROPOSED LANGUAGE                                                                                                                                                                                                                                                                                                                          | STAFF POSITION/COMMENTS                                                                               |
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|     |                          |          |                             |                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |
| 30. | 9                        | 14       | SBE Staff                   | <b>Revise sentence:</b> Therefore, <del>use by the assessors of the Board-prescribed</del> <u>recommends that assessors use the Board-prescribed Vessel Property Statement, Form BOE-576-D, is recommended. for all vessels, regardless of their cost.</u>                                                                                 | Revised to improve clarity.                                                                           |
| 31. | 9                        | 20       | Los Angeles County Assessor | <b>Revise language:</b> Pursuant to section <del>463</del> <u>441</u> , the statement shall be declared to be true under penalty of perjury.                                                                                                                                                                                               | Accepted. Typographical error.                                                                        |
| 32. | 9                        | 26       | Santa Cruz County Assessor  | <b>Revise sentence:</b> A person owning a vessel that does not require the filing of a property statement shall, <del>upon request of the assessor,</del> <u>file a signed property statement (BOE-576-D), if required by the assessor.</u>                                                                                                | Not accepted.<br><br>Language used in draft is consistent with Revenue and Taxation Code section 441. |
| 33. | 9                        | 29       | SBE Staff                   | <b>Revise sentence:</b> The Board has several other <del>recommended</del> forms that can be useful in obtaining information on vessels.                                                                                                                                                                                                   | Minor revision.                                                                                       |
| 34. | 9                        | 30       | SBE Staff                   | <b>Revise sentence:</b> Although the Board <del>recommends</del> <u>suggests the use of these alternative</u> forms, they are not Board-prescribed and accordingly the penalty assessment for failure to file cannot be applied.                                                                                                           | Revised to correct statement.                                                                         |
| 35. | 9                        | 34       | SBE Staff                   | <b>Revise sentence:</b> <del>Hence</del> <u>Assessors may utilize</u> a Vessel Owner's Report, Form BOE-576-B1, or postcard size Form BOE-576-BAH, <del>will be used to request for</del> <u>the description of a vessel.</u> An assessor may also rely upon Form BOE-576-A, which should be sent annually to each vessel owner of record. | Revised to improve clarity.                                                                           |
| 36. | 10                       | After 11 | SBE Staff                   | <b>Add a bulleted sentence:</b> <u>BOE-576-C, List of Vessels, is submitted by harbormasters and identifies vessels located in a boating facility. This form, however, does not provide any other description of a vessel.</u>                                                                                                             | Addition to provide additional details.                                                               |
| 37. | 12                       | 2        | Del Norte County Assessor   | <b>Revise language:</b> ...and since <del>no</del> <u>not</u> one of these methods alone can be used to...                                                                                                                                                                                                                                 | Not accepted.<br><br>Language used in draft taken verbatim from court case.                           |



| NO. | PAGE / LINE<br>REFERENCE           | SOURCE    | PROPOSED LANGUAGE                                                                                                                                                                                                                                                                                                                                                                               | STAFF POSITION/COMMENTS                                     |
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| 38. | 12<br>10                           | SBE Staff | <b>Revise sentence:</b> Replacement cost <u>new</u> , in the case of a new or nearly new vessel, <del>usually establishes a maximum value and;</del> when considered along with normal depreciation, will be a strong indicator of market value in the case of vessels that continue to be manufactured.                                                                                        | Revised to improve clarity.                                 |
| 39. | 14<br><br>Example<br>Last sentence | SBE Staff | <b>Revise sentence:</b> The appraiser in this case estimated the value at <del>\$7,000</del> <u>\$7,500, which includes sales tax.</u>                                                                                                                                                                                                                                                          | Revised to properly reflect the addition of sales tax.      |
| 40. | 14<br>6                            | SBE Staff | <b>Revise sentence:</b> As of March 2001, there were approximately 913,000 vessels registered in California through the Department of Motor Vehicles, <del>and there were approximately 98,435 transfers of used vessels and 37,950 new vessel registrations in the year 2000.</del> <u>In 2000, approximately 98,000 used vessels were transferred and 38,000 new vessels were registered.</u> | Revised to improve sentence structure.                      |
| 41. | 15<br>12                           | SBE Staff | <b>Add footnote:</b> ... (N.A.D.A.). <sup>Footnote</sup><br><sup>Footnote</sup> <u>In addition to these price guides, the Kelley Blue Book Motorcycle Guide, or its interactive web site at <a href="http://www.kbb.com">www.kbb.com</a>, can also be used for pricing personal watercraft.</u>                                                                                                 | Added to provide further information.                       |
| 42. | 16<br>17                           | SBE Staff | <b>Revise sentence:</b> Vessels <u>used</u> exclusively <del>used</del> in salt water, that...                                                                                                                                                                                                                                                                                                  | Revised to improve clarity.                                 |
| 43. | 16<br>26                           | SBE Staff | <b>Revise sentence:</b> ...reflects those vessels in excellent condition with <u>an engine in good running</u> , <del>engine</del> condition.                                                                                                                                                                                                                                                   | Revised to improve clarity.                                 |
| 44. | 17<br>3                            | SBE Staff | <b>Revise sentence:</b> A better method is for the assessor to annually appraise all vessels at market value using a valuation guide or by deriving <del>depreciation rates</del> <u>trend factors</u> from the market by using the value guides.                                                                                                                                               | Revised for correction.                                     |
| 45. | 17<br>After 10                     | SBE Staff | <b>Add paragraph:</b> <u>Application of trend factors for determining vessel values may not represent market value in specific instances. As such, the appraiser may need to review some vessels on a case by case basis and adjust the values where appropriate.</u>                                                                                                                           | Added to provide further discussion on using trend factors. |
| 46. | 17<br>14                           | SBE Staff | <b>Revise sentence:</b> Since these are only <u>listings of</u> vessels available for sale, they will...                                                                                                                                                                                                                                                                                        | Revised for minor correction.                               |

| NO. | PAGE / LINE<br>REFERENCE |         | SOURCE                     | PROPOSED LANGUAGE                                                                                                                                                                                                                                                                 | STAFF POSITION/COMMENTS                                                                                                                                                                                                                                                                                                                 |
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|     |                          |         |                            |                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                         |
| 47. | 19                       | 22 – 27 | Santa Cruz County Assessor | <b>Comment:</b> The two sentences beginning with "Owners claiming a permanent situs..." don't make sense and it seems to conflict with the language on page 35, lines 7 through 11.                                                                                               | Accepted. The sentences are confusing.<br><br>SBE proposed deletion: <del>Owners claiming a permanent situs in another state or county, who are not members of the Armed forces, stationed in that state or county by way of military orders, must register the vessel in the state or county of use. Otherwise, a</del> Assessments... |
| 48. | 23                       | 21      | SBE Staff                  | <b>Add language:</b> ...lessor or <u>lessee</u> should apply...                                                                                                                                                                                                                   | Revised for minor correction.                                                                                                                                                                                                                                                                                                           |
| 49. | 28                       | 11      | SBE Staff                  | <b>Revise sentence:</b> For California property tax purposes, a nondocumented vessel is one that is <del>not</del> <u>neither</u> documented by the Coast Guard nor <del>does it require registration</del> <u>registered</u> or <del>licensing</del> <u>licensed</u> by the DMV. | Revised to improve flow of sentence.                                                                                                                                                                                                                                                                                                    |
| 50. | 29                       | 9       | Del Norte County Assessor  | <b>Add language:</b> On the lien date, vessels with a <u>permanent</u> taxable situs located in California...                                                                                                                                                                     | Not accepted<br><br>A vessel is only considered to have a taxable situs in California when it is permanently located here. As such, use of the term "permanent" is unnecessary when describing the taxable situs of a vessel.                                                                                                           |
| 51. | 30                       | 13      | SBE Staff                  | <b>Revise sentence:</b> However, unlike <u>some</u> other types of personal property, vessels ( <u>other than intercounty ferries</u> ) are not subject to apportionment.                                                                                                         | Revised to improve clarity.                                                                                                                                                                                                                                                                                                             |
| 52. | 31                       | 16      | SBE Staff                  | <b>Revise language:</b> It is an owner's burden to provide <del>written proof</del> <u>documentation</u> to an assessor that situs has been established elsewhere,...                                                                                                             | Revised for minor correction.                                                                                                                                                                                                                                                                                                           |
| 53. | 31                       | 17      | SBE Staff                  | <b>Revise language:</b> Such <del>proof</del> <u>documentation</u> would include a tax bill...                                                                                                                                                                                    | Revised for minor correction.                                                                                                                                                                                                                                                                                                           |
| 54. | 31                       | 19      | SBE Staff                  | <b>Revise language:</b> ...is offered as <del>proof</del> <u>evidence</u> , an assessor...                                                                                                                                                                                        | Revised for minor correction.                                                                                                                                                                                                                                                                                                           |
| 55. | 31                       | 21      | SBE Staff                  | <b>Revise language:</b> ...may also provide <del>proof</del> <u>evidence</u> of a vessel's...                                                                                                                                                                                     | Revised for minor correction.                                                                                                                                                                                                                                                                                                           |

| NO. | PAGE / LINE<br>REFERENCE |                            | SOURCE                           | PROPOSED LANGUAGE                                                                                                                                                                                                                                                      | STAFF POSITION/COMMENTS                                                                                                   |
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|     |                          |                            |                                  |                                                                                                                                                                                                                                                                        |                                                                                                                           |
| 56. | 31                       | 30                         | SBE Staff                        | <b>Revise sentence:</b> Although the owners intend for the vessel to be operated as a seagoing vessel in the future, <u>or to be located elsewhere</u> , such a vessel would be considered to be permanently located here.                                             | Revised to improve clarity.                                                                                               |
| 57. | 32                       | 3                          | SBE Staff                        | <b>Add language:</b> ...location of boat, boat type, <u>cost</u> class, and other...                                                                                                                                                                                   | Added to improve clarity.                                                                                                 |
| 58. | 32                       | 28                         | SBE Staff                        | <b>Revise language:</b> This DMV report provides <del>proof</del> <u>evidence</u> to the assessor ...                                                                                                                                                                  | Revised minor correction.                                                                                                 |
| 59. | 37                       | Examp<br>le last<br>bullet | SBE Staff                        | <b>Add language to next to the last line:</b> ...property statement <u>or other documentation</u> notifying the assessor pursuant to section 1139.                                                                                                                     | Revised to improve clarity.                                                                                               |
| 60. | 38                       | 25                         | Santa Cruz<br>County<br>Assessor | Question. "This exemption can only be applied to one vessel owned, claimed, possessed, or controlled by an assessee on the lien date."<br><br>Does this mean that if someone owns more than one low value vessel, only one is exempt and the others would be assessed? | Correct as stated.<br>See section 228, subdivision (a), last sentence (see also on pages 68-69 of this handbook section). |
| 61. | 39                       | 21                         | SBE Staff                        | <b>Delete language:</b> <del>This statute specifically exempts a particular historical vessel, the Madaket, a former ferry, which is owned by the Humboldt Bay Maritime Museum, located in Eureka, California.</del>                                                   | Deleted, as the statement implies that no other vessel could qualify.                                                     |
| 62. | 40                       | 25                         | SBE Staff                        | <b>Delete language:</b> ...normally available for lease <del>may</del> continue to qualify for the business...                                                                                                                                                         | Revised for correction.                                                                                                   |
| 63. | 43                       | 26                         | SBE Staff                        | <b>Add language:</b> The vessel, however, must be used as a full-time commercial sea-fishing vessel <u>to qualify for the documented vessel exemption</u> .                                                                                                            | Added to improve clarity.                                                                                                 |
| 64. | 47                       | 2                          | SBE Staff                        | <b>Revise language:</b> ...large <del>holes</del> <u>holds</u> in which cargo...                                                                                                                                                                                       | Revised for minor correction.                                                                                             |
| 65. | 48                       | 8                          | SBE Staff                        | <b>Revise language:</b> ...the <del>hole</del> <u>holds</u> of the ship and to...                                                                                                                                                                                      | Revised for minor correction.                                                                                             |
| 66. | 52                       | 21                         | Kern<br>County<br>Assessor       | <b>Replace language:</b> These vessels are usually between 7.5 and <del>11.5</del> <u>13</u> feet in length and...                                                                                                                                                     | Accepted.                                                                                                                 |
| 67. | 52                       | 24                         | Kern<br>County<br>Assessor       | <b>Add language:</b> ...inside of a vessel. <u>These vessels are frequently referred to as Jet-Skis.</u>                                                                                                                                                               | Accepted.                                                                                                                 |

| NO. | PAGE / LINE<br>REFERENCE |    | SOURCE               | PROPOSED LANGUAGE                                                                                                                                                                                                                                                                                              | STAFF POSITION/COMMENTS                |
|-----|--------------------------|----|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
|     |                          |    |                      |                                                                                                                                                                                                                                                                                                                |                                        |
| 68. | 53                       | 23 | SBE Staff            | <b>Revise sentence: 1.</b> A sailboat is a boat propelled <u>primarily or exclusively</u> by a sail or sails. <u>Sailboats are often equipped with motors for emergency purposes and to assist with docking.</u> Sailing-type vessels, ...sharpie, sloop, <u>catamaran, trimaran,</u> or yawl.                 | Revised to provide additional details. |
| 69. | 55                       | 4  | Kern County Assessor | <b>Replace language:</b> These vessels are usually between 11- <del>0</del> and <del>15.5</del> <u>18</u> feet in length...                                                                                                                                                                                    | Accepted.                              |
| 70. | 55                       | 17 | SBE Staff            | <b>Revise sentence: 1.</b> A yacht is any one of various types of <del>relatively small</del> vessels, characterized with sharp prow and graceful lines, and ordinarily used for pleasure <u>or racing.</u>                                                                                                    | Revised.                               |
| 71. | 80                       | 29 | SBE Staff            | <b>Add Internet site:</b> <u>www.kbb.com</u><br><br><u>This Kelley Blue Book interactive web site is a good source for pricing personal watercraft, such as jet skis. Personal watercrafts are found in the motorcycle category of this web site, which provides both a trade-in value and a retail value.</u> | Added to provide further information.  |